

Registered Company Number: 10722941 (England and Wales)
Registered Charity Number: 1173462

THE PACKARD FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

THE PACKARD FOUNDATION

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THE PACKARD FOUNDATION

ADMINISTRATION DETAILS

REFERENCE AND ADMINISTRATION DETAILS

Registered Company Number

10722941 (England and Wales)

Registered Charity Number

1173462

Principal Office

2 Eaton Gate
London
SW1W 9BJ

Registered Office

Collyer Bristow LLP
4 Bedford Row
London
WC1R 4TF

Trustees

D M Packard
T T M Packard
A M M Packard
M D B Simon
P D Daniel

Appointed 5 July 2018

Managing Director

Jo Living

Independent Examiner

Nikki Crane FCA
Wilson Wright LLP
Chartered Accountants
Thavies Inn House
3-4 Holborn Circus
London
EC1N 2HA

Solicitors

Collyer Bristow LLP
4 Bedford Row
London
WC1R 4TF

Advisors

I G Advisors
201 Borough High Street
London
SE1 1JA

REPORT OF THE TRUSTEES

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, present their report and the financial statements of the Charity for the year ended 5 April 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

CONSTITUTION

The charity was formed as a company limited by guarantee on 12 April 2017. The Company registration number is 10722941. Registered with the Charity Commission – Registration Number 1173462.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Packard Foundation (the "Charity") is a Company limited by guarantee and is governed by its Memorandum and Articles of Association dated 12 April 2017.

Method of appointment of Trustees

Any person may be appointed to be a trustee by ordinary resolution, or by a decision of the trustees. The number of trustees should be not less than 3.

Risk management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charity are all such objects as are exclusively charitable under the laws of England and Wales.

Significant activities

During the year ended 5 April 2019 the Charity has undertaken a number of activities, including:

- Launching A Million Realities, the Charity's new fellowship programme, which champions and supports bold, bright individuals passionate about creating social change;
- Supporting a charity which trains dogs to detect the odour of human disease in order to help people with life-threatening illnesses;
- Providing scholarships for students to attend a top-level UK school; and
- Supporting art and sporting heritage by funding a curator at the National Horseracing museum.

Public benefit statement

The Charities Act 2011 requires all charities to meet the legal requirement that its aims are for the public benefit. The Charity Commission in its Charities and Public Benefit guidance states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit or benefits and secondly, that the benefit must be to the public or a section of the public. The Trustees consider that they have complied with Section 17 of the Charities Act 2011 including guidance the 'Public benefit: running a charity (PB2)'.

The Trustees are satisfied that the objects and activities of the Charity are within the definition of the Charitable Purposes set down in the Act. The Trustees are not aware of any public detriment caused by the Charity's objective or activities, nor are they aware of anyone receiving any private benefit from the Charity's activities.

**THE PACKARD FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2019**

Grantmaking

During the year, the Charity has primarily been a grant making charity which supports a variety of charitable causes through grants to other registered charities. The Charity has also undertaken charitable work directly, primarily through its A Million Realities programme.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Multiple, ongoing annual grant funding agreements are in place with several organisations in order to fulfill the charitable objectives outlined above.

Fundraising activities

No major fundraising events were held in the period.

FINANCIAL REVIEW

The Charity receives all of its funding through private donations. During the year ended 5 April 2019, the Charity received £500,000 (2018: £565,763) in donations.

Funds in deficit

The Charity was assigned a number of loans in the comparative year, when it merged with, and acquired all of the assets and liabilities of, the Packard Trust (registered charity number 1143015). This resulted in a negative reserve for the current and prior year. The Charity's major donor who is also a trustee, has undertaken to provide financial support as required to ensure the Charity meets its obligations.

Social Investment

During the previous year, a concessionary loan was made to Head Talks Productions CIC, an organisation supporting mental wellbeing. The loan was fully impaired in the current year.

Reserve policy

The Charity's aim is to maintain minimal reserves.

FUTURE AIMS

Although the Trustees intend that the Charity will continue to support its existing beneficiaries, due to the success of A Million Realities in its first year the Charity is planning to develop the programme further, for example by expanding the total number of fellows.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The Packard Foundation for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that year. In preparing those financial statements, the Trustees are required to.

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:

Trustee: D M Packard

Date: 11 December 2019

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PACKARD FOUNDATION

I report on the accounts of the company for the year ended 5 April 2019 which are set out on pages 6 to 13.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2016 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of the ICAEW which is one of the listed bodies.

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting Requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Nikki Crane FCA
Wilson Wright LLP
Chartered Accountants
Thavies Inn House,
3-4 Holborn Circus,
London, EC1N 2HA.
Date: 11 December 2019

THE PACKARD FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 5 APRIL 2019

		2019 Unrestricted fund £	As restated 2018 Unrestricted fund £
Income	Notes		
Donations and legacies		500,000	565,763
Investment income	2	<u>223</u>	<u>62</u>
Total income		<u>500,223</u>	<u>565,825</u>
Expenditure			
Expenditure on Charitable activities	3	<u>698,384</u>	<u>345,908</u>
Total expenditure		<u>698,384</u>	<u>345,908</u>
Net (expenditure) / income		(198,161)	219,917
Amalgamation and transfer from unincorporated charitable trust as at 6 April 2019		(1,101,059)	(1,320,976)
Total funds at 5 April 2019	12	<u><u>(1,299,220)</u></u>	<u><u>(1,101,059)</u></u>

All income and expenditure has arisen from continuing activities.

THE PACKARD FOUNDATION

STATEMENT OF FINANCIAL POSITION
AT 5 APRIL 2019

		Unrestricted Fund 2019	As restated Unrestricted Fund 2018
	Notes	£	£
Fixed assets			
Social investments	7	-	125,000
Current assets			
Trade and other receivables	8	10,268	-
Cash at bank		149,044	101,041
		<u>159,312</u>	<u>101,041</u>
Creditors			
Amounts falling due within one year	9	(1,458,532)	(1,327,100)
Net current assets		<u>(1,299,220)</u>	<u>(1,226,059)</u>
Total assets less current liabilities		(1,299,220)	(1,101,059)
Net liabilities		<u>(1,299,220)</u>	<u>(1,101,059)</u>
Represented by:			
Funds			
Unrestricted funds	12	(1,299,220)	(1,101,059)
Total funds		<u>(1,299,220)</u>	<u>(1,101,059)</u>

For the financial year ended 5 April 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approved by the Board for issue on 11 December 2019

Trustee: D M Packard

Company Registration No. 10722941

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5 APRIL 2019

	Notes	2019	As restated 2018
		£	£
Net cash generated by operating activities	13	<u>47,780</u>	<u>100,979</u>
Cash flows from investing activities			
Interest income		<u>223</u>	<u>62</u>
Net cash flow from investing activities		<u>223</u>	<u>62</u>
Net increase in cash and cash equivalents in the year		48,003	101,041
Cash and cash equivalents at the beginning of the year		101,041	-
Cash and cash equivalents at the end of the year		<u><u>149,044</u></u>	<u><u>101,041</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

1 Accounting policies

The principal accounting policies adopted and judgements in the preparation of the financial statements are as follows:

1.1 Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Companies Act 2006.

The Charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in Sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At 5 April 2019, the Charity had net liabilities amounting to £1,299,220. The Charity's major donor who is also a trustee, has undertaken to provide financial support as required to ensure the Charity meets its obligations for the foreseeable future. On this basis the trustees consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Incoming resources

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the charity has entitlement to the funds and it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.4 Cash at bank

Cash at bank includes cash and short term highly liquid investments with a short maturity from the date of opening the deposit.

1.5 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

1.6 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments which include bank balances and social investment loans. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.7 Social investments

A Concessionary loan was made to Head Talks Production CIC in the prior year. This loan was interest free, with no fixed repayment date and has been fully impaired in the current year. The impairment expense is recognised within expenditure on charitable activities.

1.8 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support it.

Governance costs included costs associated with meeting the constitutional and statutory requirements of the charity and are allocated to charitable expenditure.

Value added tax is not recoverable and such is included in the relevant costs in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2019

1.9 Prior period adjustment

During the current year, the Charity identified a donation of £300,000 which had been incorrectly treated as a loan due after more than one year in the prior year's accounts. The donation has been correctly recognised and adjusted as a prior period adjustment in 2018.

2 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or are raised for particular related purposes.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2019

2 Investment income	2019	2018
	£	£
Deposit account interest	<u>223</u>	<u>62</u>

3 Expenditure on charitable activities	2019	2018
	£	£
Grant expenditure	229,691	270,089
Programme costs	103,410	-
Impairment losses on social investment	125,000	-
Governance costs (see note 4)	37,560	33,459
Staff costs	66,632	-
Other	24,020	-
Rental and rates	18,604	-
Advisory	93,467	42,360
	<u>698,384</u>	<u>345,908</u>

Expenditure on charitable activities includes support costs of £240,283 (2018: £75,819), which are allocated in their entirety to charitable activity.

4 Governance costs	2019	2018
	£	£
Accountancy	7,148	2,100
Fees for Independent examination	3,500	-
Legal fees	26,912	31,359
	<u>37,560</u>	<u>33,459</u>

5 Directors and employee information

A M Packard, who is a trustee and a director, received remuneration from the Charity of £18,845 (2018: £nil) in their capacity as CEO.

One trustee incurred reimbursable expenses of £1,326 (2018: £nil) of which £595 was outstanding at the balance sheet date.

No member of staff was paid over £60,000 (2018: £nil)

The average full time equivalent number of persons employed by the Charity during the year was 3 (2018: Nil).

	2019	2018
	£	£
Amounts paid to employees of the Charity during the year:		
Salaries and wages	60,771	-
Pension costs	1,839	-
Social security costs	4,022	-
	<u>66,632</u>	<u>-</u>

The Charity considers its key management personnel to be the directors.

These payments were made in accordance with the powers of the Charity's governing document.

6 Pension costs

The Charity contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge representing contributions payable by the charity to the fund amounted to £1,839 (2018: £nil). As at 5 April 2019 £nil (2018: £nil) remained unpaid.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2019

7 Social investments		Programme related investments loans £
Cost or valuation		
At 6 April 2018 & 5 April 2019		<u>125,000</u>
Impairment		
At 6 April 2018		-
Impairment losses		<u>125,000</u>
		<u>125,000</u>
Carrying amount		
At 6 April 2018		<u>125,000</u>
At 5 April 2019		<u>-</u>
8 Debtors	2019	2018
	£	£
Other debtors	<u>10,268</u>	<u>-</u>
9 Creditors: Amounts falling due within one year	2019	As restated 2018
	£	£
Trade payables	38,975	-
Grant payables	80,000	-
Other taxation and social security	4,557	-
Accruals	10,000	2,100
Other loans	<u>1,325,000</u>	<u>1,325,000</u>
	<u>1,458,532</u>	<u>1,327,100</u>

Included in other loans is £1,325,000 (2018: £1,325,000) owed to the Company's trustee, D M Packard. The loan is interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2019

12	Movement in funds	Net movement in funds £	Amalgamation from the Trust £	As restated Total £
	Year ended 5 April 2018			
	Unrestricted fund as originally stated	(80,083)	(1,320,976)	(1,401,059)
	Prior period adjustment (Note 1.9)	300,000		300,000
	Balance at 5 April 2018	<u>219,917</u>	<u>(1,320,976)</u>	<u>(1,101,059)</u>
	Year ended 5 April 2019			
	Unrestricted fund	(198,161)	-	(198,161)
	Balance at 5 April 2019	<u>21,756</u>	<u>(1,320,976)</u>	<u>(1,299,220)</u>

13	Cash generated from operations	2019 £	2018 £
	Net movement in funds for the year	(198,161)	(1,101,059)
	Adjustments for:		
	Social investment	-	(125,000.00)
	Impairment of loan	125,000	-
	Interest income	(223)	(62)
	Novation of loan on transfer from charitable trust	-	1,325,000
	Movement in working capital		
	Increase in debtors	(10,268)	-
	Increase in creditors	131,432	2,100
	Cash flow generated by operating activities	<u>47,780</u>	<u>100,979</u>

14 Operating lease commitments
Lessee

At the reporting date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	<u>19,200</u>	<u>-</u>

15 Related Party Transactions

During the year, governance costs included legal work undertaken by Collyer Bristow LLP, an entity in which M DB Simon, a trustee of the Charity, is a partner. Fees payable for the year were £26,912 (2018: £31,359), of which £9,225 (2018: £nil) was outstanding at the balance sheet date.

Included in donations is £500,000 (2018: £565,763) from the Charity's trustees.